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RETAIL PRICES AND BASIC WAGE RATES - SEPTEMBER QUARTER, 1966

CONSUMER PRICE INDEX

Introduction

The Consumer Price Index measures quarterly, for each State Capital, the variations in prices of commodities and services as affecting a high proportion of the expenditure of wage-earner households. Commodities and services included in the index are food, clothing, drapery, home ownership, rent of privately owned and government owned houses, fuel, light, furniture, household appliances and supplies, fares, motoring, tobacco, cigarettes, beer, cinema, radio and television licences, newspapers, postal and telephone services, hairdressing, dry cleaning, and various other items.

The various commodities and services have been combined into groups, and group indexes are available for Food, Clothing and Drapery, Housing, Household Supplies and Equipment, and Miscellaneous.

The indexes measure price movements in each city individually. They do not provide a comparison of the retail price level in any city with the retail price level of any other city. The base of the index for each city and for the weighted average, six State Capitals, is year 1952-53 = 100.0. Group indexes also have separate bases for each group.

SEPTEMBER QUARTER, 1966

There was an increase of 0.6 per cent in the Brisbane Consumer Price Index from June quarter to September quarter, 1966. The index number for All Groups rose from 141.7 to 142.5. For the year ended September, 1966, the All Groups increase was 3.0 per cent.

A brief outline of the movements of the various group indexes for Brisbane between June quarter, 1966, and September quarter, 1966, is shown below.

Food Group

The Food Group of the index for the second consecutive quarter has shown a decrease and is now at the same level as in December quarter, 1965 (151.0). The decrease during the quarter was 0.1 per cent. Price increases were recorded for most cuts of meat but these increases were offset by decreases in other items, chiefly eggs and potatoes.

Clothing and Drapery Group

The group index rose 0.2 per cent from 122.2 to 122.4. The increase for this group was almost entirely attributable to footwear items. Footwear prices also increased during the previous quarter. There was a small decrease in men's wear in September quarter.

Housing Group

The index rose from 159.7 to 161.1, an increase of 0.9 per cent. The increase was chiefly due to increased costs of home ownership.

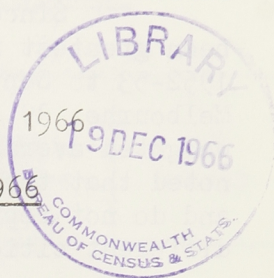
Household Supplies and Equipment Group

The index showed a quarterly decrease of 0.1 per cent from 116.1 to 116.0. The decrease in this group was mainly due to lower prices for some household appliances.

Miscellaneous Group

The Miscellaneous Group showed the largest rise of 1.8 per cent. The group index rose from 152.0 to 154.7. The largest increase was in beer. Cigarettes and tobacco, and the cost of motoring, also contributed to the increase.

The Consumer Price Index increased in five State Capitals and decreased in one from June quarter, 1966, to September quarter, 1966. Percentage variations were as follows:- Perth, +0.7; Brisbane, +0.6; Sydney, +0.5; Melbourne and Adelaide, +0.4; and Hobart, -0.1.



Since the base year, 1952-53, the rise in the retail price level has been greatest in Brisbane and smallest in Sydney. Percentage increases from 1952-53 to September quarter, 1966, were as follows:- Brisbane, 42.5; Hobart, 39.2; Melbourne, 39.1; Perth, 36.3; Adelaide, 35.0; and Sydney, 34.7. The rise in the weighted average for the six State Capitals was 37.1 per cent. (It should be noted that these figures merely indicate rates of price rises in separate cities, and do not represent in any way the relativities of actual price levels in the different cities.)

COMMONWEALTH AND STATE BASIC WAGE RATES

Commonwealth and State basic wage rates are reviewed by the appropriate Industrial Authorities from time to time. The last variation made by the Commonwealth Conciliation and Arbitration Commission was an addition of \$2.00 (£1) to the male basic wage, with corresponding adjustments to the female and juvenile rates, and operated from 11th July, 1966.

The Queensland Industrial Conciliation and Arbitration Act of 1961 abolished automatic quarterly reviews of the State basic wage, but the Industrial Commission was empowered to vary the wage after a general hearing on the applications of interested parties. On 1st April, 1965, the Commission stated that, as a matter of policy, in future it did not propose to deal with an application to vary the basic wage solely because of a change in the Consumer Price Index unless such change warrants an alteration of 40c (4s.) or more in the basic wage. An increase of 50c (5s.) for males and 35c (3s. 6d.) for females was granted from 20th September, 1965, and the Commission stated that it would not further review the basic wage prior to 1st July, 1966. After the Commission refused to hear an application for an increase lodged in October, 1965, further applications for increases in the basic wage were lodged in January, 1966. The Commission decided on 6th April, 1966, to commence hearing these applications on 26th April, 1966. As a result of this hearing the Commission increased the basic wage by \$1.30 (13s.) for males and \$1.00 (10s.) for females from 23rd May, 1966.

Weekly Basic Wage Rates - State Capital Cities

Capital City	Commonwealth Basic Wage			State Basic Wage		
	Males	Females	Date of Operation ^a	Males	Females	Date of Operation
	\$	\$		\$	\$	
Brisbane ..	31.00	23.25	11.7.66	32.70	24.55	23.5.66
Sydney ..	33.50	25.10	11.7.66	33.50	25.10	11.7.66a
Melbourne ..	32.70	24.50	11.7.66	32.70	24.50	July, 1966b
Adelaide ..	32.30	24.20	11.7.66	32.30	24.20	11.7.66a
Perth ..	32.80	24.60	11.7.66	33.50	25.13	24.10.66
Hobart ..	33.40	25.05	11.7.66	33.40	25.05	July, 1966b

a From the first pay period commencing on or after the date shown.

b Most Wages Boards adopted the Commonwealth rate during July, 1966.

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2nd November, 1966

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Table 1 - Consumer Price Index - Total and Group Indexes - Brisbane
(Year 1952-53 = 100.0)

Period	Food	Clothing and Drapery	Housing	Household Supplies and Equipment	Miscell- aneous	All Groups
<u>Year -</u>						
1956-57 ..	111.5	104.7	118.4	106.5	118.9	112.0
1957-58 ..	113.0	107.8	123.9	108.3	120.5	114.4
1958-59 ..	119.8	109.4	128.4	109.0	123.6	118.2
1959-60 ..	124.2	111.9	132.6	110.6	125.6	121.2
1960-61 ..	130.4	115.1	137.6	111.3	129.5	125.4
1961-62 ..	130.8	116.7	140.5	113.0	133.3	127.3
1962-63 ..	129.8	117.0	144.0	112.8	134.4	127.7
1963-64 ..	133.1	117.8	145.2	111.7	135.2	129.0
1964-65 ..	141.5	119.5	149.0	112.7	140.9	133.9
1965-66 ..	150.9	121.0	158.3	115.0	148.7	140.4
<u>Quarter -</u>						
1965 - September	149.7	120.2	157.1	114.2	143.1	138.3
December	151.0	120.6	157.7	114.7	147.8	140.0
1966 - March ..	151.7	120.9	158.8	115.1	152.0	141.4
June ..	151.1	122.2	159.7	116.1	152.0	141.7
September	151.0	122.4	161.1	116.0	154.7	142.5
Percentage Increase or Decrease (-) on Previous Quarter						
<u>Quarter -</u>						
1965 - September	3.2	0.1	4.5	1.0	0.5	1.9
December	0.9	0.3	0.4	0.4	3.3	1.2
1966 - March ..	0.5	0.2	0.7	0.3	2.8	1.0
June ..	-0.4	1.1	0.6	0.9	-	0.2
September	-0.1	0.2	0.9	-0.1	1.8	0.6

Table 2 - Consumer Price Index - State Capital Cities
(Year 1952-53 = 100.0 for Each City and for Six State Capitals)

As the base for each city is 100.0, the indexes in the table below do not indicate relative price levels as between cities, but they may be used to compare relative price movements in the various cities.

Period	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Weighted Average Six State Capitals
<u>Year -</u>							
1956-57 ..	112.9	114.0	112.0	111.1	112.9	116.9	113.1
1957-58 ..	114.5	114.4	114.4	111.9	113.6	117.0	114.2
1958-59 ..	115.3	116.6	118.2	114.5	114.7	118.7	116.0
1959-60 ..	117.8	120.0	121.2	118.0	116.9	120.8	118.9
1960-61 ..	122.1	125.9	125.4	122.9	121.2	127.5	123.8
1961-62 ..	122.6	126.3	127.3	122.5	121.6	128.1	124.3
1962-63 ..	123.2	126.2	127.7	122.1	122.2	128.0	124.5
1963-64 ..	124.5	127.1	129.0	123.5	123.8	129.4	125.7
1964-65 ..	128.8	132.2	133.9	128.6	127.6	133.6	130.4
1965-66 ..	133.1	137.1	140.4	132.7	132.5	138.3	135.2
<u>Quarter -</u>							
1965 - September	131.8	135.6	138.3	130.7	130.0	137.0	133.5
December	133.3	137.2	140.0	132.7	131.7	138.8	135.2
1966 - March ..	133.3	137.2	141.4	133.1	132.8	138.1	135.4
June ..	134.0	138.5	141.7	134.4	135.3	139.3	136.5
September	134.7	139.1	142.5	135.0	136.3	139.2	137.1